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LOSS ADJUSTMENT MANUAL FOR FLAX

SECTION I. ORGANIZATION

A. State Crop Insurance Director.

The state crop insurance director (herein called the "director") is responsible for the adjustment of losses in the state, and he shall supervise and coordinate all work in connection with the adjustment of losses. He shall see that all persons performing loss adjustment work are thoroughly familiar with the provisions of the regulations, the instructions contained in this procedure, and the related forms. He shall also be certain that such personnel is adequately trained in loss adjustment work and arrange for the spot checking of this work in order that he may know that it is being done uniformly throughout the state. The director, through the State Agricultural Conservation Committee, shall furnish each County Agricultural Conservation Committee, (herein called "county committee"), the name(s) and address(es) of other Corporation representative(s) to whom notices of damage or probable loss should be transmitted.

The director shall caution each person connected with loss adjustment work to refrain from making any statement to the insured or to any other person which would have the effect of either admitting or denying the liability of the Corporation for any claim made by the insured.

B. District Supervisors

In those areas where the volume of business warrants it, the director shall appoint and train district supervisors. The district supervisor, under the supervision of the director, shall be in charge of the loss adjustment work in the district assigned to him. He shall keep the director fully informed as to the progress of the loss adjustment work in his district. Any unusual situation or difficult problems encountered by the district supervisor in connection with the loss adjustment work shall be called to the attention of the director.

The district supervisor shall make inspections and adjust losses, where necessary, in the assigned district and elsewhere as assigned. However, in areas where there is a considerable volume of business, and also in areas where it becomes apparent that a considerable number of losses may be experienced, the district supervisor shall select, subject to the approval of the director, and train adjusters in order that the adjustment work may be handled promptly and efficiently. The adjusters so selected shall be thoroughly trained in the loss adjustment work.

C. Adjusters

The adjuster must meet the qualifications set forth in the "Employment Instructions and Travel Regulations for Loss Adjusters." In addition, any person who procured a 1945 crop insurance application as an agent of the

Corporation is not eligible to serve as an adjuster. An adjuster shall not use the loss adjustment work to promote any other line of endeavor. He must be honest, of good reputation, and must be thoroughly familiar with the insured crops grown in the county, and have the respect of farmers in his area. The adjuster shall not inspect a crop or adjust a claim for loss involving an insured crop in which he has either a financial or family relationship interest.

The adjuster shall be thoroughly familiar with the provisions of the Flax Crop Insurance Regulations, instructions contained in this procedure, and forms relating thereto. The adjusters must be adequately trained in the measurement of acreage. Particular attention shall be given to the measurement of irregularly shaped fields.

The adjusters selected shall be under the immediate supervision of, and directly responsible to, the district supervisor (or to the state director, if no district supervisor has been appointed) and should discuss with him any problem arising in the loss adjustment work.

The insured producer is to notify the county AAA committee of damage to or probable loss of the flax crop. Upon receipt of such notice, the county committee shall execute Form FCI-8, "Notice to Corporation of Damage or Probable Loss," in triplicate, and forward the original to the director. One copy shall be transmitted to the other Corporation representative designated by the director. The second copy shall be filed in a temporary file in the county office until the county office copy of Form FCI-563, "Report of Inspection," is received from the adjuster, at which time both Forms FCI-8 and FCI-563 shall be filed in the insured's folder.

If an inspection is to be made, the adjuster shall contact the county AAA office as soon as possible after receipt of Form FCI-8 and obtain crop insurance records and the necessary field measuring equipment or acreage data. He may inspect in the county office aerial photographs or other available data that may facilitate handling the case. When field measuring equipment or records are taken out of the county office, they shall be charged to the adjuster while in his possession. The adjuster shall make the necessary inspections, appraisals, and reports. When requested, he shall assist the insured in the preparation of Form FCI-567-F, "Statement in Proof of Loss for Flax."

Form FCI-8 UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation (State and county code and
NOTICE TO CORPORATION OF DAMAGE OR PROBABLE LOSS identification number)
(Name of crop)
(Name and address of insured) (Farm serial number)

(Location of farm)

The above-named producer has notified this office that the above-mentioned insured crop on the farm indicated has been damaged. The notice was received _____, 194____
(Date)

A release of acreage for other use _____ requested.
(is or is not)

Reported cause(s) of damage: _____
REMARKS: _____

_____, 194____
(Address of county AAA office) (Date) (Signature of county committeeman or representative)

SECTION II. RELEASE OF ACREAGEA. Inspections Prior to Release

No release of acreage shall be made until it is too late to reseed to flax. If a question arises as to when it is too late to reseed, the adjuster shall determine whether producers generally in the area are still seeding flax, or reseeding flax, or would reseed flax, under the circumstances. If this is the case, and it is considered a good farming practice, the insured producer shall be advised that he is required under the terms of his contract to reseed unless the flax acreage is put to another use before it is too late to reseed to flax. No loss will be paid and no premium will be earned on any acreage put to another use before it is too late to reseed to flax. Abandonment of an acreage of flax destroyed or substantially destroyed will not be considered as putting such acreage to another use.

Flax acreage may be released for other use where the crop is destroyed or substantially destroyed after it is too late to reseed. The crop is considered to be substantially destroyed when it is so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred would not further care for the crop or harvest any portion thereof.

In all cases where an inspection is made with the view of releasing acreage the applicable columns in Parts I and II of Form 563 shall be completed as provided in subsection C below.

B. Appraisal of Production Prior to Release

A release of acreage may be granted only after there has been an appraisal of production. Extreme care shall be exercised by the adjuster in making an appraisal of the yield on an insurance unit. In releasing acreage, the Corporation is relinquishing its opportunity to determine the actual yield. Therefore, the adjuster, in making an appraisal, must assume that the most favorable conditions will prevail until harvesttime.

flax

When/acreage is released, the appraised production must be not less than the following:

On any flax acreage released for the purpose of seeding a substitute crop, the appraisal shall be at least 50 percent of the product of (1) such acreage, times (2) the average yield per acre, times (3) the insured percentage (50 or 75 percent).

On any flax acreage not harvested, except acreage released for the seeding of a substitute crop, the appraisal shall be at least 20 percent of the product of (1) such acreage, times (2) the average yield per acre, times (3) the insured percentage (50 or 75 percent).

Under the terms of the contract, other use cannot be made of unharvested acreage or the flax crop until the acreage is released by the Corporation.

The appraised yield will be considered as the actual yield for determining the amount of loss, except that if the acreage is not put to another use and the crop is harvested, the actual harvested yield will be counted. The adjuster shall determine whether any of the damage is due to uninsured cause(s) and if so, the extent thereof.

All appraisals made in connection with the release of acreage shall be recorded in Part II of Form 563, as provided in subsection C below.

C. Report of Inspection and Release of Acreage

Form 563, "Report of Inspection," herein called "Form 563," is provided for the adjuster's use in recording data where inspections are made. It shall be prepared as follows:

In the heading, enter the state and county code and contract identification number, the farm serial number, the name of the crop, and the name and address of the insured in the spaces provided.

Part I. The data for flax acreage inspected but not released shall be entered in Part I.

Column 1. Enter the description, location, or other identification of each field or tract inspected.

Column 2. Enter the estimated acreage of flax in each field or tract inspected.

Column 3. Enter the specific cause of damage to the flax crop, and a notation describing the condition of the crop at the time of inspection. If only a portion of the acreage of flax in the field or tract is damaged, enter the estimated acreage damaged.

Part II. The data for flax acreage released shall be entered in Part II.

Column 1. Enter the description, location, or other identification of each field, part of a field or tract released.

Column 2. Enter the acreage of flax in each field, part of a field or tract released. This acreage shall be estimated as accurately as possible, except where all the flax acreage on the insurance unit is released, in which event the acreage shall be accurately determined. If only a part of the acreage in the field or tract is released, show in the narrative report (Part III) the location of such acreage.

Column 3. Enter the appraised yield per acre for the acreage released in each field, part of a field or tract.

Column 4. Enter the intended use of the acreage released, such as a "substitute crop," "summer fallow," etc. If a substitute crop is intended, the name of the crop should be given if known.

Date and Signature. Enter the date and sign the form in the spaces provided.

Part III. Enter the cause of damage to any acreage released. If there is not sufficient space in Part I to enter all the causes of damage, enter the other causes of damage in the narrative report. In the event of damage due to an uninsured cause, enter a full explanation and set forth the extent thereof. In any case where the minimum appraisal of production is made, the adjuster shall enter in the narrative report his appraisal of production without regard to the minimum. There shall also be included in the narrative report any other information which may aid the Corporation in the final determination of the loss, if any.

D. Distribution of Forms 563

Distribution of Forms 563 shall be made in accordance with Section VI of this procedure.

SECTION III. ADJUSTING CLAIMS

A. General

The insured shall establish that any loss for which claim is made has been directly caused by one or more of the hazards insured against by the insurance contract during the term of the contract and further that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against by the insurance contract.

Form FCI-567-F, "Statement in Proof of Loss for Flax," herein referred to as "Form 567-F," is to be used by the insured in submitting the statement in proof of loss as his claim for indemnity. A separate Form 567-F shall be submitted by the insured for each insurance unit on which he claims a loss.

The statement in proof of loss shall not be approved until the adjuster has inspected the insurance unit and has had an opportunity to determine the acreage seeded to flax, the actual production, and the appraised production for the farm.

If all or a part of the flax crop on any acreage is destroyed or substantially destroyed, and permission is given to put the land or the crop to some other use, the statement in proof of loss shall not be recommended for approval by the adjuster until such other use has been made of the land or the flax crop has been harvested.

The adjuster shall determine that a Form 19-F has been submitted by the insured for the insurance units on which the insured is claiming a loss. If the Form 19-F has been prepared, the adjuster should complete the required forms in accordance with this procedure and submit them to the state director. However, the adjuster should determine that the county office has completed and submitted a Form FCI-22, "Contract Summary for 1945." If this has not been accomplished, the adjuster shall request the county committee to compile the Form 22 and submit Forms 19 and 22 on Form FCI-15 to the branch office before the claim for loss is submitted to the state director.

If a Form 19-F has not been submitted by the insured for the insurance unit on which a loss is claimed and it is early in the growing season and the insured has not been provided Forms 19-F to submit the reported acres, the adjuster may complete all forms necessary and submit the claim with the provisions in the above paragraph. However, if the insured has submitted Forms 19-F on other insurance units or tracts and has omitted the insurance unit on which the loss is claimed, the adjuster shall obtain all the information possible and necessary to complete a claim, including preparation of Form 566 in the event flax has been produced, but shall not prepare a Form 567-F. A complete detailed statement of facts should be prepared and the original and one copy submitted to the state director and one copy for the insured's county file. The adjuster should report all other units that were not reported by the insured.

B. Determining Acreage Seeded to Flax

The acreage seeded to flax shall be accurately determined by the adjuster in all cases where a loss is claimed unless the 1945 acreage has already been accurately measured by the county committee and the records are available to the adjuster. Wherever it is necessary for the adjuster to determine the flax acreage, as much use as possible shall be made of permanent field acreages established by the Agricultural Adjustment Agency. Any flax acreage put to another use without a release by the Corporation before it is too late to reseed to flax shall not be considered as acreage seeded to flax. All flax acreage, including any previously released, shall be measured. All measuring equipment used should be checked for accuracy and corrected where necessary.

The accurately determined acreage will be called the "measured acreage," and shall be entered in box B of Form 567-F. If the measured acreage is less than the reported acreage as shown on Form 22 for the insurance unit, the loss, if any, will be settled on the basis of the measured acreage and the premium will be adjusted accordingly. Upon receipt of the Form 567-F by the branch office, a revised Form 22 will be prepared showing the corrected premium. If it is found that the measured acreage is larger than the reported acreage as shown on Form 22 for the contract, or on the Form 19-F for the insurance unit if the Form 22 has not been prepared, the insured acreage will not be increased. The indemnity, if any, will be determined by prorating the production for the measured acreage to the reported acreage.

C. Form FCI-566, "Adjuster's Work Sheet"

1. Form FCI-566, "Adjuster's Work Sheet," herein called "Form 566," is provided for use in determining the net quantity of threshed flax produced from the 1945 crop, and shall be prepared before the related Form 567-F is prepared. Routine filling out of this form should not be considered adequate to determine the quantity of flax threshed. The reasonableness of the amount should be considered and, if necessary, other inquiry made, particularly if the yield appears to be inconsistent with yields of other farms in the area.

A Form 566 shall be prepared for each producer claiming a loss on the insurance unit, and it shall be prepared in duplicate as follows:

In the heading: Enter the state and county code and contract identification number, the farm serial number, and the name of the crop in the spaces provided.

Item 1. Data for each bin located on the farm in which flax from the 1945 crop is stored shall be recorded in this item. All dimensions listed must be actual measurements and shall be expressed in feet and tenths of feet. The measurements of the flax must be inside bin measurements. Data for rectangular and round bins may be recorded on the same Form 566.

Column A. Enter the bin or crib number, which shall be assigned by the adjuster, if not already numbered.

- Column B. Enter the length of the bin. If the bin is round, enter the diameter.
- Column C. Enter the width of the bin. If the bin is round, no entry shall be made.
- Column D. Enter the depth of the flax in the bin. The flax must be level in the bin before the depth is measured.
- Column E. Enter the gross cubic feet of flax, which shall be computed by the following applicable method:
- Rectangular bins (inside measurements)
Multiply the length by the width, by the depth of the flax (Columns B x C x D).
- Round bins (inside measurements)
Multiply the square of the diameter by 0.7854, by the depth of the flax. (Columns B x B x 0.7854 x D).
- Column F. Enter the cubic feet of deduction for space occupied by chutes, ventilators, studs, crossties, etc., if any, which have been included in the over-all measurements of the flax. In determining this entry, computations shall be in accordance with the instructions set forth for column E above, except that outside measurements shall be used.
- Column G. Enter the result obtained by subtracting the amount shown in column F from the amount shown in column E.
- Column H. Enter the result obtained by multiplying the amount shown in column G by 0.8.
- Column I. In areas where it is customary to sell flax on a clean basis, enter the result obtained by multiplying the figure in column H by the percentage of dockage or foreign material. Other small grain threshed with the flax shall not be considered as dockage. The percentage of dockage or foreign material in the flax shall be determined on the basis of a volume (not weight), which may be done by using a calibrated test tube.
- No entry shall be made in column I in areas where the flax is sold on a field run basis.
- Column J. Enter the result obtained by subtracting the entry in column I from the entry in column H. Where the flax is sold on a field run basis, the entry in column H shall be carried over to column J.
- Column K. In areas where flax is not sold on a clean flax basis, enter the test weight of the field run flax in each bin.

In areas where flax is sold on a clean flax basis, enter the test weight of the clean flax in each bin. The clean flax shall include small grain threshed with the flax.

If test weight equipment is not available at the time of inspection, representative samples shall be taken from each bin and the test weight determined when such equipment is available. These samples shall be properly designated to correspond with the bin numbers.

Column I. Enter the result obtained by multiplying the entry in column J by the percentage factor (obtained from the table below) for the test weight as shown in column K.

FLAX TABLE OF CORRECTION FACTORS TO CONVERT GROSS BUSHELS TO NET BUSHELS

Test weight (pounds)	Percentage factor	:	Test weight (pounds)	Percentage factor
60	107	:	48	86
59	105	:	47	84
58	104	:	46	82
57	102	:	45	80
56	100	:	44	79
55	98	:	42	77
54	96	:	41	73
53	95	:	40	71
52	93	:	39	70
51	91	:	38	68
50	89	:	37	66
49	87	:	36	64
		:	35	62

Item 2. Enter the name(s) and address(es) of the elevator(s) or warehouse(s) in which any flax produced on the insurance unit is stored, together with the net bushels in each elevator or warehouse.

Item 3. Data for flax produced on the insurance unit and sacked, ^{and} stored either on or off the farm shall be recorded in this item.

In the space provided, enter the location of the sacked flax.

(a) Enter the total number of sacks

(b) Enter the average gross weight per sack. (Weigh a sufficient number of sacks to determine the average weight.)

(c) Enter the average weight of empty sacks, including dockage, per sack. Dockage shall not include other small grains threshed with the flax. (If the State prescribes standard weight deductions for sacks, the prescribed weight shall be used.)

(d) Enter the average net weight of grain per sack. (Item (b) minus item (c))

(e) Enter in column L the total bushels of sacked flax. (Item (a) times item (d) divided by 56)

Item 4. Enter the name and address of the elevator or other person(s) to whom any flax produced on the insurance unit has been sold and the number of net bushels sold to each.

Item 5. Enter the number of bushels of flax threshed from the insurance unit which has been used for seed, feed, or for any other purpose.

Item 6. Enter the number of bushels of flax threshed from the 1945 crop on the insurance unit which is not otherwise reported in items 1 to 5, inclusive.

Piled flax either on or off the farm should be weighed if possible, the net bushels computed as above and entered in this item. If it is not possible to weigh the pile of flax, a sketch of each pile, reflecting proper dimensions and method of computing the net bushels, which shall be entered in this item, shall be attached to Form 566. Flax damaged or destroyed after threshing shall be considered as production and entered in item 6.

Item 7. Enter in column L the sum of the entries in items 1 to 6, inclusive.

Item 8. The entry in item 7 shall include the shares of all persons having an interest in the flax crop on the insurance unit. The word "Yes" shall therefore be entered in each case after it is positively determined that the production data do include the shares for all such persons.

Item 9. Enter the date on which the threshing or combining of flax from the insurance unit was completed. If a portion of the crop was threshed a considerable time in advance of the threshing of the rest of the crop, the final date of both periods of threshing should be inserted. If part of the flax was combined and part was threshed, enter and identify the date for the completion of each such operation.

Verification of Computations

All the computations shall be rechecked as to accuracy before the related Form FCI-567-F is prepared.

Date and Signature. In the spaces provided, the adjuster shall date and sign Form 566.

2. Distribution of Form FCI-566 shall be made in accordance with Section VI of this procedure.

D. Preparation of Form 567-F for Usual Cases

The following instructions are applicable when only one yield has been established for the insurance unit, when the insured has the same interest in all of the flax crop, and when there has been no transfer of interest in the insured crop. Where separate yields have been established for parts of an insurance unit or where the producer has different shares in parts of the flax crop in an insurance unit or where there has been a transfer of interest in the insured crop, Form 567-F shall be prepared in accordance with subsection E of this section.

The Form 567-F will be a Rediform consisting of the original and three copies and shall be prepared as follows:

1. Enter the state and county code and contract identification number.
2. Enter the identification number of all other flax contracts on farm.
3. Enter the farm serial number as shown on the Form FCI-22 or the approved flax listing sheet.
4. Enter the name and address of the insured which shall agree with the name shown on Form FCI-22, "Contract Summary for 1945," or if the original insured died, became incompetent or disappeared after the beginning of seeding, the name to be entered shall be determined as set forth in the instructions contained in section 415.24 of the 1945 Flax Crop Insurance Regulations.

Box A: Enter the reported acreage of flax on the insurance unit as shown on Form FCI-19-F or Form FCI-22.

Box B: Enter the measured acreage of flax seeded on the insurance unit. The adjuster shall determine this figure in accordance with subsection B of this section.

Box C: Enter the approved listing sheet average yield per acre for the insurance unit.

Box D: Enter the insured percentage, either 50% or 75% as approved by the Corporation on Form FCI-12-F or as limited on Form FCI-2, whichever is applicable.

Box E: Enter the insured interest in the flax crop. The insured interest shall be the smaller of the insured interest in the crop as shown on Form FCI-22 or the actual interest in the crop at the time of loss as determined by the adjuster.

PART I. ACTUAL PRODUCTION FOR THE FARM

The following important factors should be kept in mind before making any entries in Part I or Part II of the Form 567-F:

- a. The production to be entered in item 1 to item 9 and totaled in

item 10 should reflect the entire production from the insurance unit except the production from any acreage of volunteer flax or any acreage of flax seeded as a mixture with other small grains. Flax seeded with other small grains is not insurable, but in the event of other small grains volunteering with the flax the entire production shall be counted. The production must include the shares of all persons interested in the flax crop as landlord, owner, tenant, or sharecropper.

- b. The total acreage to be shown in the column headed "acres" should equal the measured acreage in box B. Where an appraisal of production is made for an acreage previously entered, such duplicate acreage shall be entered to the left of the column headed "acres."

Item 1. Enter the acreage and total bushels of flax on the insurance unit which was threshed. This item shall include all acreage which was seeded for harvest as seed and production from such acreage as shown on line 7 of Form 566.

Item 2. Enter the acreage and the appraised production in bushels of flax for any acreage which was harvested for seed but was not threshed. Harvest means any severance by mechanical means of the matured flax for the purpose of threshing.

Item 3. Enter the total production (item 1 plus item 2).

PART II. ADJUSTMENTS TO PRODUCTION FOR THE FARM

Item 4. Enter the measured acreage and the appraised production of the flax crop for any acreage which was released and seeded to a substitute crop. Such appraisal shall be the total production that would have been obtained under the most favorable conditions, had the flax crop remained for harvest, but shall not be less than 50 percent of the product of such acreage released times the average yield times the insured percentage. Reference should be made to the Form 563, "Report of Inspection."

Item 5. Enter the acreage not harvested and not seeded to a substitute crop and the appraised production therefor. Such appraisal shall be made on the assumption that the most favorable conditions would prevail until harvest time, but shall not be less than 20 percent of the product of such acreage times the average yield times the insured percentage.

Included in this item shall be flax left standing in the field except where the damage on the acreage was due solely to causes not insured against or on acreage released for other purposes than harvest as seed or acreage which was totally destroyed by causes insured against and which was not put to another use. Notations shall be made to the left of the "acres" column of the use made of the released acres such as "summer fallow," "pasture," "idle," or any other use. Reference should be made to Form 563, "Report of Inspection."

- Item 6. Enter the appraised production for any portion of the flax acreage that is put to another use without the consent of the Corporation. Such appraisal shall not be less than the product of such acreage times the average yield times the insured percentage.
- Item 7. Enter the appraised number of bushels by which production on any acreage has been reduced solely because of any cause not insured against which number of bushels shall not be less than the product of such acreage times the average yield times the insured percentage minus any quantity of flax harvested from such acreage.
- Items 8 and 9. Enter the appraised production for any other adjustments to production and insert notations describing the causes of the damage for such adjustments. These items should be used in those cases where the acreage of the flax crop has been damaged by reasons of causes not insured against where the crop has been damaged or destroyed by reasons of causes insured against and causes not insured against. A number of bushels equal to the appraised reduction in production due to causes not insured against shall be entered in the bushel column.

Adjusters should appraise reduction in production in such cases as:

- (a) Failure of the insured to properly prepare the land for seeding.
- (b) Failure to care for or harvest and thresh the insured crop, including any loss due to breakdown of machinery or equipment.
- (c) Seeding on land of poorer than average quality than that considered in establishing the average yield.
- (d) Following a different fertilizer or farming practice than those considered in establishing the average yield.
- (e) Failure to properly apply irrigation water to flax in proportion to the amount of water available for all irrigated crops, failure of irrigation equipment due to mechanical defects, failure to provide adequate casing or properly to adjust the pumping equipment in the event of the lowering of the water level in pump wells.
- (f) Reduced production due to war shortages such as labor, machinery or repairs, fertilizer and insect poisons of type and quality normally used, etc.
- (g) Failure to follow good farming practices.
- (h) Failure to reseed the flax in areas and under circumstances where the Corporation determines it is customary to reseed.

(i) Neglect or malfeasance of the insured or any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand.

(j) Loss due to theft.

(k) Incursion of domestic animals.

(l) The use of defective or unadapted seed.

Item 10. Enter the sum of the bushels entered in items 4 to 9, inclusive.

Item 11. (a) Enter the sum of the acres entered in items 1, 2, 4, 5, 6, 7, 8, and 9. This total should equal the measured acreage on the insurance unit shown in box B.

(b) Enter the sum of the bushels entered in item 3 and item 10.

Item 12. If the measured acreage in box B is larger than the reported acreage in box A --

(a) Divide the reported acreage (box A) by the measured acreage (box B) carried to three decimal places and enter the result in the space provided for "Adjustment Factor."

(b) Multiply the total production (item 11) by the adjustment factor and enter the result in item 12.

PART III. BASIS FOR SETTLEMENT

Item 13. The computation of the insured production should be the smaller of A or B times C times D times E.

Item 14. The insured interest in the production shall be computed by multiplying the bushels in item 12 (if no adjustment to production was made to item 11, use the bushels shown in item 11) times the insured interest in crop as shown in box E.

Item 15. Enter the amount of loss claimed (item 13 minus item 14).

PART IV. CAUSES OF DAMAGE

Items 16, 17, and 18. Enter the primary, secondary, and other contributing cause(s) of damage to the flax crop on the insurance unit. Causes not insured against shall be entered. The cause(s) of damage shall be specifically stated. The estimated percent contribution of each cause of damage shall be entered. The approximate date of damage (not the date of loss) shall also be entered. In all cases, the entries in the column headed "Estimated percent contribution" must total 100 percent.

If damage was caused by the act of a person or persons, a memorandum shall be prepared, in triplicate, and signed by the adjuster, setting forth the facts in the case and the name of person(s), if known, contributing to the damage. All three copies shall be attached to Form 567-F when it is forwarded to the director. The director shall attach a copy of the memorandum to the branch office copy of Form 567-F and a copy to the county office copy of such form.

The list of the various causes of damage, insured against when unavoidable, to be used by the adjuster as a guide for uniformity follows:

WEATHER

Drought	Excessive moisture
Hail	Blown out
Heat	Frost
Flood	Excessive moisture and drought
Winterkill	Water erosion
Hot winds	Lack of sufficient water on irrigated land

INSECTS

Grasshoppers	Cut worm
Crickets	Army worm
Chinchbugs	Green bugs
Wire worm	Sawfly

DISEASES

Wilt
Heat canker
Pasm
Rust

WILDLIFE

Rabbits
Deer, elk, or antelope or other wild animals
Ducks, geese, pheasant and other game birds
Squirrels, gophers

MISCELLANEOUS

Fire

CONTRIBUTING CAUSES

Bindweed (wild Morning Glory, "Creeping Jenny")	
Mustard (including Fanweed, French weed, Peppergrass, Sunkweed)	
Sunflower	
Foxtail	Cow cockle
Lamb's quarter	Thistle
Sedge	Quackgrass
Mayweed	Dog fennel
Cinquefail	Chickweed
Wormwood	Wild oats
Wild buckwheat	Weeds (all weeds not named above)

OTHER DATA TO BE ENTERED

Item 19. Enter the word "Yes" or "No" to the question whether a collateral assignment is outstanding. If a collateral assignment of the contract has been approved by the Corporation and "No" has been inserted, make certain a release of assignment has been submitted.

The insured shall enter the date and affix his signature in the spaces provided.

Included in the certification to be signed by the insured is the subrogation of all rights of recovery against any person(s) for loss or damage to the extent that payment therefor is made by the Corporation. In those cases where applicable, the adjuster should advise the insured of this fact and that the insured is not to execute any release to such person(s).

Item 20. If the adjuster believes that the claim is proper in all respects, he shall enter the date and affix his signature in the spaces provided.

Item 21. The state director or his authorized representative shall enter the date and affix his signature in the spaces provided if in his opinion the statement in proof of loss is proper in all respects.

E. Preparation of Form 567-F for Other Cases

1. When Insured has Different Shares in Parts of Flax Crop on an Insurance Unit

The following instructions concerning the preparation of Form 567-F shall apply when the insured producer has different shares in parts of the flax crop on an insurance unit.

A separate Form 567-F shall be prepared for each part of the insurance unit in which the insured producer has a different share in the flax crop. For example, if the producer has 100 percent interest in 8 acres and 50 percent interest in 12 acres, one Form 567-F shall be prepared for the 8-acre tract and another shall be prepared for the 12-acre tract. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a Form 567-F which shall be identified by writing the word "Master" immediately above the title.

Except as provided below, these forms shall be prepared in accordance with subsection D of this section.

a. "Supplemental" Forms 567-F

Entries on each "Supplemental" Form 567-F shall apply to the specific acreage covered by such form.

If the insured's interest in the production for a part of the insurance unit exceeds the coverage for such part, as reflected by the entry in item 14, of the supplemental Form 567-F exceeding the entry in item 13, of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 12 shall be determined as follows: The total reported acreage and the total measured acreage for the insurance unit shall be entered in box A and box B, respectively, of the "master" Form 567-F. If the entry in box B of the "master" Form 567-F exceeds the entry in box A of such form, divide the entry in box A by the entry in box B and enter the result, carried to three decimal places, (e.g., .951) on all the "supplemental" Forms 567-F in the space provided for "Adjustment factor." On the "supplemental" Forms 567-F, enter in item 12 the product of the entry in item 11 times the adjustment factor, if any.

If the measured acreage does not exceed the reported acreage for the insurance unit, enter the word "None" in the space provided for "adjustment factor." If there is no adjustment factor leave item 12 blank.

No entries shall be made in items 16 to 20, inclusive, of the "supplemental" Forms 567-F.

b. "Master" Forms 567-F

Box E. Enter the word "varying."

Items 1 to 15 inclusive. For each item, add the entries appearing on the respective "supplemental" Forms 567-F, except in cases where paragraph 3 of this subsection is applicable. Enter these totals in the applicable items on the "master" Forms 567-F.

Items 16 to 20. Enter the data in accordance with subsection D of this section.

2. When Separate Yields Have Been Established for Parts of an Insurance Unit

The following instructions concerning the preparation of Form 567-F shall apply when separate yields have been established for parts of an insurance unit:

A separate Form 567-F shall be prepared for each part of the insurance unit for which a separate yield has been established. For example, if a 10 bushel yield has been established on one tract, and a 5 bushel yield on another tract, a Form 567-F shall be prepared for each such tract. In addition, if the insured has different shares in the flax crop on parts of any such tract, a separate Form 567-F shall be prepared for the acreage applicable to each share. The word "Supplemental" shall be written immediately above the title of all such forms.

After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a Form 567-F which shall be identified by writing the word "Master" immediately above the title.

Except as provided below, these forms shall be prepared in accordance with subsection D of this section.

a. Supplemental Forms 567-F

Entries on a "supplemental" Form 567-F shall apply to the specific acreage covered by such form.

If the insured interest in the production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 14 of the supplemental Form 567-F exceeding the entry in item 17 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 12 shall be determined as follows: The total reported acreage and the total measured acreage for the insurance unit shall be entered in box A and box B, respectively, of the "master" Form 567-F. If the entry in box B of the "master" Form 567-F exceeds the entry in box A of such form, divide the entry in box A by the entry in box B and enter the result, carried to 3 decimal places (e.g., .951) on all the "supplemental" Forms 567-F in the space provided for "adjustment factor."

On the "supplemental Forms 567-F enter in item 12 the product of the entry in item 11 times the adjustment factor, if any.

If the measured acreage does not exceed the reported acreage for the insurance unit, enter the word "None" in the space provided for "adjustment factor." If there is no adjustment factor, leave item 12 blank.

No entries shall be made in items 16 to 20, inclusive, of the supplemental Forms 567-F.

b. "Master" Forms 567-F

Box C. Enter the word "varying."

Items 1 to 15, inclusive. For each item, add the entries appearing on the respective "supplemental" Forms 567-F except in cases where paragraph 3 of this subsection is applicable.

Enter these totals in the applicable items on the "master" Forms 567-F.

Items 16 to 20, inclusive. Enter the data in accordance with subsection D of this section.

3. Where There is Excess Production on One or More Parts of an Insurance Unit

Where the insured interest in the production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 14 of a "supplemental" Form 567-F exceeding the entry in item 13 of such form, all of the "supplemental" Forms 567-F and the "master" Form 567-F for the insurance unit shall be prepared as follows:

- a. Items 1 to 15 inclusive, of the "supplemental" Forms 567-F shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable, except item 15 for the form being prepared for that part of the insurance unit which reflects the excess production. The entry in item 15 (item 14 minus item 13) will be a minus figure and shall be encircled.
- b. Items 1 to 14, inclusive, of the "master" Form 567-F: For each item, add the entries appearing on the respective "supplemental" Forms 567-F and enter the sum of each item in the applicable items on the "master" Form 567-F.
- c. Add all the unencircled figure(s) in item 15 of the "supplemental" Forms 567-F and subtract the encircled figure(s) from this sum and enter the result in item 15 of the master Form 567-F.
- d. Items 16 to 20, inclusive, of the "master" Form 567-F shall be executed in accordance with subsection D of this section. These items need not be executed on the "supplemental" Forms 567-F.

4. Amount of Loss Where Transfer of Interest is Involved

The regulations provide that in the event of a transfer of all or a part of the insured interest in a flax crop, the Corporation shall not be liable for a greater amount of indemnity than would have been paid if the transfer had not taken place.

If, when adjusting a claim for loss, it is found that there has been a transfer of either all or a part of the insured interest in all of the insured acreage, the claim shall be adjusted in accordance with subsection D of this procedure, except the name of the insured and the insured interest in the crop (box E) shall be determined on the basis of the information on Form FCI-21, "Record of Transfer."

If, when adjusting a claim for loss, it is found that there has been a transfer of either all or a part of the insured interest in a part of the insured acreage, the claim shall be adjusted as follows:

- a. If there has been only one transfer, the adjuster shall draw a line vertically through the center of the acreage and bushel columns of Form 567-F before preparing the form. To the left of the lines so drawn shall be entered the data for the entire insurance unit and to the right of such lines shall be entered the data for the part of the flax acreage for which the loss is being computed. All computations on Form 567-F shall be made in the regular manner, except those for item 15. The entries computed for item 15 shall be entered to the left of the bushel column and the smaller of such entries shall be entered in the bushel column.

If there have been two or more transfers, the adjuster shall prepare a Form 567-F for each individual who has an insured interest at the time of loss. If, on any part of the insurance unit, the insured interest in the production exceeds the insured production for such part, as reflected by the entry in item 14, of the supplemental Form 567-F exceeding the entry in item 13, of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection. However, the words "supplemental" and "master" shall not be entered at the top of such forms. The words "Transfer of interest - data for entire insurance unit" shall be entered on the Form 567-F prepared for the entire insurance unit, and no entries shall be made in item 16 to 20. No identifying entry shall be made in the heading of the Forms 567-F prepared for the parts of the insurance unit.

All of the Forms 567-F for the parts of the insurance unit as well as for the entire insurance unit should be submitted together to the director. If this is not possible, a Form 567-F for the entire insurance unit shall be submitted with the first Form 567-F covering a part of the insurance unit, but need not be submitted with subsequent Forms 567-F covering the other parts of the insurance unit. However, Forms 567-F covering the other parts must be submitted whether or not there is a loss on such other part before any claim is approved.

5. Other Unusual Cases

If a case arises which is not specifically covered by this procedure, it should be submitted in accordance with General Procedure 4.

F. Cases Where Adjuster and Insured Producer Cannot Agree on Amount of Loss

If the insured producer and the adjuster cannot agree on the amount of loss claimed by the insured, two Forms 567-F shall be prepared -- one showing the amount of loss claimed by the insured and the other showing the amount determined by the adjuster. The insured producer shall sign the Form 567-F reflecting the amount of loss claimed by him, but neither form shall be signed by the adjuster at this time. The adjuster shall then suggest to the insured that three appraisers be selected with the view of reaching an agreement concerning the amount of loss. If this is agreeable to the insured, the three appraisers shall be selected and shall function in accordance with the procedure which will be furnished for handling such cases.

If the insured is not agreeable to the selection of the appraisers, the adjuster shall sign only the Form 567-F reflecting the amount of loss determined by him and shall submit both of the Forms 567-F in accordance with General Procedure 4.

G. Transmitting Form 567-F to the Director

The adjuster shall forward daily all completed Forms 567-F to the director. The director shall make distribution of these forms in accordance with section VI of this procedure.

SECTION IV. SUSPENDED, CORRECTED AND DELAYED FORMS FCI-567-F
"STATEMENT IN PROOF OF LOSS FOR FLAX"

A. Suspended Statements in Proof of Loss

Forms 567-F suspended by either the director or the branch office will not be returned to the adjuster. A Form FCI-2, "Agreement," or a memorandum shall be prepared and forwarded to the adjuster to obtain the necessary information in order that the suspended case may be cleared as soon as possible. Forms FCI-2 and memoranda prepared by the branch office in connection with suspended Forms 567-F shall be routed through the director. The adjuster shall forward the Form FCI-2 or memorandum containing the desired information to the director.

B. Corrected Statements in Proof of Loss

In cases where a Form 567-F has been transmitted to the director, and it is necessary to make material changes in the data appearing on such form, a corrected Form 567-F shall be prepared and submitted to the director. However, any corrected claim, except those based on an error in computations appearing on the original Forms 567-F or supporting documents, amounting to less than 2 bushels additional loss shall not be submitted

as such claim will not be approved. The corrected claim shall be prepared and submitted in the same manner as the original claim, except the word "corrected" shall be plainly inserted in the heading of Form 567-F. Also, the adjuster shall attach a memorandum in triplicate to the corrected Form 567-F fully explaining the reason(s) for such correction(s).

It will not be necessary to prepare a corrected Form 567-F if the amount of the loss originally claimed by the insured is correct and settlement has been made on a lesser amount and the insured is requesting the additional payment.

C. Delayed Statements in Proof of Loss

In the event a statement in proof of loss is submitted later than 60 days after the time of loss, a statement of facts setting forth the reason(s) for delay in submitting such form and the method used for determining the actual and appraised production as shown on the Form 567-F shall be prepared in triplicate, signed by the adjuster and attached to the form.

Any damage to the crop which occurs after the end of the insurance period as set forth in the regulations is not insured against and must be handled by the adjuster as an uninsured cause of damage.

SECTION V. SETTLEMENT OF LOSS CLAIMS

A. Certificate of Indemnity

The insured should be informed that all loss claims submitted in accordance with the regulations and applicable procedures will be paid by the issuance of a certificate of indemnity which will be prepared in the branch office of the Corporation and mailed directly to him.

The expiration date of the certificate of indemnity on the 1945 flax crop shall be July 15, 1946, or 30 days after the date of the issuance of the certificate, whichever is later. However, the expiration date for certificates of indemnity placed under loan with the Commodity Credit Corporation shall be the maturity date for the loan, if such date is later than the foregoing. If the insured has not returned the certificate for cash settlement before the expiration date, the cash equivalent will be established on the price in effect on the expiration date of the certificate and a check will be issued by the branch office to the insured in settlement of his indemnity claim, except where the certificate is placed under loan.

1. Method of Settlement

a. To Obtain Cash

If the insured wishes to obtain cash in settlement of the certificate of indemnity, he shall sign the original and return it to the branch office of the Corporation.

The cash equivalent of the indemnity shall be the number of bushels of flax specified on the certificate of indemnity multiplied by the cash equivalent price per bushel in effect on the day the insured's request is received or the expiration date of the certificate, whichever occurs first.

b. To Secure a Loan from the Commodity Credit Corporation

If the insured wishes to obtain a loan, he shall arrange with the county committee for the loan. The county committee shall prepare the loan documents in accordance with instructions issued by the Commodity Credit Corporation, and transmit the certificate of indemnity and loan papers to the Commodity Credit Corporation.

If a lien exists by reason of an unliquidated collateral assignment, a loan cannot be made until a release of such collateral assignment is secured in accordance with subsection D, section VII of the County Application Procedure. Where a collateral assignment has not been executed, or if executed, has been released, the county committee shall so certify in the box provided therefor.

c. To Obtain the Commodity

If the county committee has been advised that flax is available, the insured may obtain a warehouse receipt for all or a portion of the number of bushels shown on the certificate of indemnity by indicating the quantity desired and returning the certificate of indemnity to the branch office of the Corporation through the county committee.

Where the quantity of flax desired by the insured is less than the total amount shown on the certificate of indemnity, the branch office will issue a new certificate of indemnity for the remaining portion of the indemnity due the insured.

2. Liquidation of Commodity Credit Corporation Loan

If a loan has been obtained on the security of the original certificate of indemnity, and the insured wishes at any time during the period of the loan to establish the cash equivalent in order to liquidate the loan, the insured shall transmit to the appropriate branch office of the Federal Crop Insurance Corporation on Form FCI-574-A (or on a substantially similar form) a written request to establish the cash equivalent for the purpose of liquidating the loan. Form FCI-574-A may be obtained from the county committee.

The cash equivalent of the indemnity will be established on the basis of the price in effect on the date the request to liquidate the loan is received in the branch office. Such cash equivalent will be established and paid only if the amount thereof is sufficient to liquidate the indebtedness

existing because of the loan. If the amount of the cash equivalent is not sufficient to liquidate the indebtedness, the insured will be notified by the Corporation.

Where the cash equivalent is established for the purpose of liquidating the loan, the amount necessary to liquidate the loan and accrued charges will be forwarded direct to the Commodity Credit Corporation by the Federal Crop Insurance Corporation. Any balance will be forwarded to the insured. The county committee shall be guided by the current price card and the amount of the loan plus accrued interest thereon in determining whether the cash equivalent of the certificate of indemnity will be sufficient to liquidate the loan.

3. Storage and Handling Charges

A storage and handling charge will be deducted by the branch office from the cash equivalent of any certificate of indemnity which is not received by the branch office for cash settlement by the end of 14 days from the issuance thereof. After allowing the free storage time, a charge of one-half (1/2) cent per bushel for each fifteen (15) day period or fraction thereof will be deducted. The storage and handling charge will terminate at the expiration date of the certificate of indemnity or the date it is received in the branch office for settlement, whichever is earlier.

4. Lost or Destroyed Certificates of Indemnity

If a certificate of indemnity is lost, or destroyed, and the insured desires a cash settlement, a cash settlement will be made by the branch office upon receipt of a written request from the insured stating that it has been lost or destroyed and that he desires a cash settlement, together with a certification by the county committee that the certificate of indemnity originally issued has not been and will not be approved by it as collateral for a loan.

If a certificate of indemnity is lost, or destroyed, and the insured desires to obtain a loan, a duplicate original certificate of indemnity will be issued by the branch office upon receipt of a request from the insured stating that it has been lost or destroyed and requesting that a duplicate original be issued in order to obtain a loan. A certification that the certificate of indemnity originally issued has not and will not be approved as collateral for a loan shall be submitted by the county committee.

SECTION VI. DISTRIBUTION OF FORMS USED IN THIS PROCEDURE

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-8 - "Notice to Corporation of Damage or Probable Loss."

The original shall be forwarded to the director.

The first copy shall be forwarded to the other Corporation representative designated by the director.

The second copy shall be retained in the county office and filed in a temporary file until the county office copy of Form 563 is received from the adjuster, after which it shall be filed in the producer's folder.

B. Form FCI-563 - "Report of Inspection"

Original - Forwarded to the director.

First copy - Filed in the county AAA office in the producer's crop insurance folder.

Second copy - Given to the insured at the completion of the inspection.

C. Form FCI-566 - "Adjuster's Work Sheet"

The original and the copy shall be forwarded to the director, together with the statement in proof of loss and related forms. The copy will be returned to the county office by the director at the time the county office copy of the statement in proof of loss is returned. It shall then be filed in the producer's crop insurance folder.

The county office copy of Form 566 may be used by the Commodity Credit Corporation in connection with their loan program.

D. Form FCI-567-F - "Statement in Proof of Loss for Flax"

The original, the state office copy, and the county office copy shall be forwarded to the director with carbons in place, except the carbon between the county office copy and the insured's copy which shall be detached.

The insured's copy shall be given to him by the adjuster when prepared.

The county office copy shall be returned to the county office by the director after a preliminary review thereof. This copy shall then be filed in the producer's crop insurance folder.

E. Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the director. The county office copy will be forwarded to the county office together with the related county office copy of Forms 567-F.

F. Form FCI-574 - "Certificate of Indemnity"

Original - Mailed directly to the insured by the branch office.

Copy (pink) - Forwarded to the county AAA office by the branch office for use of insured at time of liquidate of Commodity Credit Corporation loan on certificate of indemnity.

Copy (salmon) - Forwarded to county AAA office by the branch office.

To be filed in producer's folder.

Copy - Retained in the branch office.

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

Budget Bureau No. _____
Approval expires _____

F L A X

STATEMENT IN PROOF OF LOSS FOR FLAX

(State and county code and identification number)

Identification numbers of other
flax contracts on farm: _____

(Name and address of insured)

(Farm serial number)

Reported Acreage	Measured Acreage	Average Yield	Insured Percentage	Insured Interest in Crop
A : B : C : D : E :				

(SEE REVERSE SIDE FOR EXPLANATION)

PART I. ACTUAL PRODUCTION FOR THE FARM

ITEM	Acre	Bushels
1. Acreage threshed and total production therefrom.	:	:
2. Appraised production not threshed but otherwise harvested.	:	:
3. TOTAL ACTUAL PRODUCTION.	XXXXX	:

PART II. ADJUSTMENTS TO PRODUCTION FOR THE FARM

4. Appraised production for released acreage seeded to a substitute crop.	:	:
5. Appraised production for any acreage not harvested	:	:
6. Appraised production for any acreage put to another use without the consent of the Corporation	:	:
7. Appraised production for any acreage for cause(s) not insured against.	:	:
8.	:	:
9.	:	:
10. TOTAL ADJUSTMENTS TO PRODUCTION.	XXXXX	:
11. TOTAL SEEDED ACREAGE AND TOTAL PRODUCTION.	:	:
12. PRODUCTION ADJUSTED TO INSURED ACREAGE (Adjustment Factor)	XXXXX	:

PART III. BASIS FOR SETTLEMENT

13. Insured production (the smaller of A or B times C times D times E)	:	:
14. Insured's interest in production (production in item 11 or 12, whichever is applicable, times E)	:	:
15. AMOUNT OF LOSS CLAIMED (item 12 minus item 13)	:	:

PART IV. CAUSES OF DAMAGE

	Cause of damage	Estimated percent : Approximate date
16. Primary.	:	contribution : of damage
17. Secondary.	:	:
18. Other contributing	:	:

19. The information and data set out in Parts I, II, III, and IV of this statement are true and correct and the insured interest in the crop as shown represents such interest at the time of loss and not in excess of the interest reported by the insured as his interest in the crop at the time of seeding, and are the basis for the amount of loss claimed in item 15. The furnishing or preparation of any forms, the inspection of the farm, or investigation of loss by an adjuster was done at the request of the insured and shall not constitute a waiver of any right of the Corporation. In consideration of the payment of this claim, I hereby release the Corporation from all claims for indemnity, damages, or causes of action in connection with my flax crop on the above-indicated farm which I may have arising under the contract under which indemnity is claimed. In consideration of the settlement of the indemnity, I hereby sell, assign and transfer to the Federal Crop Insurance Corporation, to the extent of the value of the commodity represented by such settlement, all claims, demands, and causes of action which I may have against any and all persons as a result of the partial or total destruction of the insured crop. I hereby irrevocably constitute and appoint the Federal Crop Insurance Corporation my true and lawful attorney, with full power of substitution and revocation, for me and in my name, or otherwise, but for its own sole use, to take all proceedings and execute any and all instruments fully to effectuate this assignment and give acquittance for all such claims, demands, and causes of action.

Is there an outstanding collateral assignment?

(Yes or No)

(Date) _____, 194__

(Signature of insured)

Any misrepresentation of fact made in this instrument will subject the maker thereof to the provisions of the United States Criminal Code and the penal provisions of the Federal Crop Insurance Act, as amended.

20. In connection with this Statement in Proof of Loss, I certify that:

I have made a careful investigation of this claim and, to the best of my knowledge and belief, the facts stated herein are complete, true, and correct; the amount of loss claimed herein by the insured was determined in accordance with the applicable regulations and procedures of the Federal Crop Insurance Corporation; and the signature appearing in item 19, above, has been affixed by the insured who had the stated interest in the flax crop at the time of loss and whose name appears above, or if the signature has been affixed by a person who signs as fiduciary or agent such person had authority to act in such capacity.

(Date) _____, 194__

(Signature of adjuster)

21. I recommend approval of this Statement in Proof of Loss.

(Date) _____, 194__

(State director or his representative)

